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Attorneys for Plaintiff

**UNITED STATES DISTRICT COURT**

**DISTRICT OF OREGON**

**PORLAND DIVISION**

AMERICAN EVENTS, INC., an Oregon corporation, d.b.a. The Materials Show,

**Case No. 3:22-cv-01649-YY**

**Plaintiff(s),**

v.

**SECOND AMENDED COMPLAINT  
AND DEMAND FOR JURY TRIAL**

RELX, INC., a Delaware corporation dba REED EXHIBITIONS and RX; RX GLOBAL, INC., a Delaware corporation; PERFORMANCE DAYS; STEPHEN MCCULLOUGH, an individual; and JOHN JOSEF, an individual,,

**Defendant(s).**

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Plaintiff American Events, Inc. (“AEI”) alleges the following:

1.

AEI brings this Complaint to enjoin and prohibit defendants RELX, Inc., dba Reed Exhibitions and RX, RX Global, Inc., Performance Days, Stephen McCullough and John Josef

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(collectively, “Defendants”) from using, benefiting or profiting from their theft of AEI’s client lists, contact information, compiled data and compilations, and other protected commercial data improperly accessed online and at trade shows held by AEI in 2019 and 2022 at the Oregon Convention Center (“OCC”). Stephen McCullough (“McCullough”) and John Josef (“Josef”) on separate occasions worked in concert to fraudulently misrepresent their identities and affiliations to gain improper access to AEI’s highly valuable commercial data for the benefit of RELX’s competing trade shows. RELX, McCullough and Josef repeatedly and premeditatively sought to gain access to AEI’s protected commercial information, restricted online content, and in-person trade show events despite knowing they were banned and prohibited from such access. As a result of McCullough and Josef’s conduct, Defendants improperly and fraudulently gained access to (1) AEI’s customer lists, vendor lists, contact information (including names, addresses, cell phone numbers, and email addresses), (2) AEI’s compilations of commercial data, including in-person “direct contacts” at AEI’s exclusive and ticketed trade shows, and (3) other valuable, confidential proprietary information (the “Protected Information” including, as defined below, the “Client Lists”). Defendants are now (1) using that Protected Information to contact AEI’s customers and vendors for their own benefit; (2) recruiting AEI’s customers and vendors to attend competing trade shows; (3) using AEI’s Protected Information to materially interfere with AEI’s long standing business relationships; and *inter alia* (4) exploiting the monetary benefit of AEI’s Protected Information that took AEI more than twenty years of goodwill and diligence to create.

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**PARTIES, JURISDICTION AND VENUE**

2.

Plaintiff AEI is a family run corporation whose president is Hisham Muhareb, whose secretary is Karen Muhareb (together, the “Muharebs”), and whose principal place of business is 12470 SW 1<sup>st</sup> Street, Suite 200, Beaverton, OR 97005.

3.

Defendant RELX, Inc. is a Delaware corporation dba Reed Exhibitions and RX, having a notice address at The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, and whose General Counsel is Allison A. Young.

4.

Defendant RX Global, Inc. is a corporate entity having a notice address at The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, and whose General Counsel is Allison A. Young.

5.

Defendant Performance Days is a corporate entity having an address at Mayerbacherstr. 32, 85737 Ismaning, Germany.

6.

Defendant Stephen McCullough is an individual currently residing in Connecticut.

7.

Defendant John Josef is an individual currently residing in Connecticut.

8.

Jurisdiction and venue are proper in the Circuit Court for the State of Oregon for the County of Multnomah because the events underlying this action took place in whole or in part in

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Multnomah County, because the harm was suffered in Multnomah County, and because appropriate remedies may be rendered in Multnomah County.

### **GENERAL ALLEGATIONS**

9.

American Events, Inc. is a premier events management company that produces four of the nation's best shows annually (known as "The Materials Show") for footwear and apparel materials and component sourcing. AEI's mission is to connect materials and components suppliers from around the world directly to apparel and footwear manufacturers.

10.

AEI proudly celebrates 25 years of bringing together vendors, buyers and industry professionals to enjoy major materials markets and accompanying networking opportunities, during which time AEI has built considerable goodwill and valuable contacts in the industry.

11.

The Muharebs grew The Materials Show out of what began in the 1980s and early 1990s as the Nike vendor fair and a vendor-driven mini show, the NW Fabric Fair. Looking to expand on these two shows, the Muharebs formed American Events, Inc., which in 1995 became the official organizer of Nike's semi-annual vendor fair. The NW Apparel and Footwear Materials Show soon was born and was an immediate success. American Events, Inc. went on to also become the official Adidas and New Balance vendor fair organizer.

12.

Since then, The Materials Show has grown into a major materials and networking resource, hosting hundreds of exhibitors and thousands of attendees each year.

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13.

As a result of the Muharebs' tireless work over the past twenty-five years to establish hundreds of relationships and highly valuable customer, vendor and contact lists (including confidential contact information) in the footwear and athletic apparel industry (including direct contacts and in-person access to individuals at The Materials Show not otherwise generally known to the public or AEI's competitors, the "Client Lists"), The Materials Show now holds four major events each year in Portland, Oregon (the "NW Show") and in Boston, Massachusetts (the "NE Show").

14.

The NW Show and the NE Show generally take place in the Spring and Late Summer/Fall, though between 2020 and 2022 certain shows were cancelled or rescheduled due to the ongoing COVID-19 pandemic.

15.

The relationships the Muharebs have established over the past twenty-five years are AEI's primary asset. Vendors at The Materials Show pay booth fees to AEI to gain access to buyers and customers attending the show; buyers and customers pay an admission fee to AEI to gain access to AEI's cutting edge vendors. Access is subject to AEI's terms and conditions. The Materials Show therefore offers exclusive, in-person access to the actual decision makers in the materials and footwear industries, and such access is highly sought after because of the opportunity to establish direct contacts with high ranking industry professionals and up and coming producers.

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16.

The Client Lists, as embodied by the continuing draw of The Materials Show and by AEI's strong relationships with vendors, customers and industry professionals, are highly valuable commercial information.

17.

AEI keeps its Client Lists and other Protected Information confidential, and competing trade show organizers and/or promoters are expressly banned under AEI's admission policies and terms and conditions for attending The Materials Show events.

18.

In August 2019, McCullough attempted to attend the NW Show under the guise of being a vendor or buyer, or by misrepresenting himself to OCC staff to get a free "walk through" of the NW Show.

19.

McCullough was not a vendor or buyer, however, and was instead working on his own behalf and for a competitor of American Events who planned to poach buyers and vendors for its own materials trade show it would call the "Functional Fabric Fair."

20.

McCullough was found trespassing in The Materials Show exclusive spaces rented from the OCC. McCullough was removed from the 2019 NW Show because he was actively attempting to compete with The Materials Show and therefore in violation of The Materials Show's contractual conditions for admission. McCullough was caught soliciting buyers and vendors while improperly on the trade show floor as a result of his deception.

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21.

McCullough was discovered and ejected from The Materials Show a total of four times because he was a known competitor of The Materials Show and attempting to register only under the company name “Reed.” Mr. Muhareb sent McCullough emails stating that McCullough was a competitor and was prohibited from attending The Materials Show. McCullough was warned numerous times that he was not to attend The Materials Show.

22.

At the NW Show held in August 2022, Josef gained admission to the NW Show by claiming to be the “Director of Sales and Planning” for Polo Ralph Lauren.

23.

AEI has confirmed that Josef is not employed by and has no connection with Polo Ralph Lauren, and that Josef deliberately misrepresented himself to gain access to the NW Show.

24.

Josef’s sole purpose for attending the NW Show for the purpose of recruiting buyers and vendors to attend the Functional Fabric Fair in direct competition with American Events. Josef’s fraudulent misrepresentation regarding his affiliation with Polo Ralph Lauren and his acceptance of the AEI terms and conditions is shown in the attached **Exhibit 1**.

25.

Unfortunately, AEI and the Muharebs did not recognize Josef and could not detect that he was a competitor working in concert with McCullough. Josef was able to attend the trade show, solicit AEI’s customers and vendors in person on the trade show floor, and gain access to and retain information on the Client Lists for the improper and prohibited purpose of interfering with AEI’s customers and promoting a competing trade show. As a result of misrepresenting his company affiliation to gain access to the Materials Show, Josef was able to meet with nearly

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every exhibitor at The Materials Show and obtained highly sought after direct contacts for the purpose of recruiting them to RELX competing trade shows.

26.

Defendants actively promoted their competing Functional Fabric Fair held at the Oregon Convention Center on October 26-27, 2022. Defendants improperly used AEI's Protected Information taken from AEI and the NW Show by McCullough and Josef for the benefit of themselves and all Defendants, and are continuing to improperly use AEI's Protected Information to promote future Functional Fabric Fair events.

27.

Defendants held a small Functional Fabric Fair event in 2019 with only about seventy vendors, with most geared toward apparel sport materials.

28.

Upon information and belief, Defendants lost money at the Functional Fabric Fair in 2019 and were desperate to make new and valuable contacts in the industry to promote their competing trade show.

29.

After improperly accessing and exploiting AEI's Protected Information, Defendants boasted that their October 26-27 Functional Fabric Fair would have almost two-hundred vendors, many of which (1) are regular attendees of AEI's trade shows, and (2) did not attend Functional Fabric Fair prior to Defendants' conversion of AEI's Client Lists. Upon information and belief, Defendants offered free booth space in an attempt to recruit AEI's vendors.

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30.

As of October 4, 2022, the Functional Fabric Fair listed 180 exhibitors.<sup>1</sup> RELX and the Functional Fabric Fair (through McCullough and Josef's knowing, intentional and concerted effort to gain improper access to AEI's Protected Information) leveraged their improper trespass at The Materials Show to make contacts in the industry, gain momentum, and create substantial profits.

31.

Numerous buyers, vendors and other parties connected with the NW Show have contacted Mr. Muhareb (a) to complain about unwanted and harassing promotional communications from Defendants; (b) expressing market confusion regarding the status of the NW Show compared to the nearly identical shows now being promoted by Defendants; and (c) giving notice that Defendants were improperly using information gained from the NW Show to compete with the NW Show rather than form industry relationships between active buyers and vendors.

32.

On September 7, 2022, American Events sent a Cease and Desist Letter to McCullough, Josef, Lisa Lechner, and Reed Exhibitions d.b.a. the Functional Fabric Fair (the "Cease and Desist") via regular mail, certified mail, registered mail and email. A true and correct copy of the Cease and Desist is attached hereto as **Exhibit 2**.

33.

The Cease and Desist, among other things, demanded that Defendants immediately cease and desist from all activities engaging in, aiding or abetting in the solicitation of American

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<sup>1</sup> See <https://www.functionalfabricfair.com/portland/en-us/For-Visitors/exhibitor-list.html>.

Events' customers and exhibitors, and misappropriating American Events' trade secrets, client lists, proprietary data, and other confidential information.

34.

The Cease and Desist further demanded that Defendants cease making harassing phone calls and emails to American Events' vendors, buyers and industry professionals.

35.

The Cease and Desist further demanded that all materials taken from the NW Show as a result of McCullough's and/or Josef's trespass and breach of the NW Show's terms and conditions (including both physical and electronic records) be returned to American Events no later than September 13, 2022.

36.

Allison A. Young, general counsel for RELX, Inc. and RX Global, responded to the Cease and Desist Letter by email dated September 8, 2022 and again on September 9, 2022 (the "September 9, 2022 Email). A true and correct copy of the September 9, 2022 Email is attached hereto as **Exhibit 3**.

37.

In the September 9, 2022 Email, Ms. Young acknowledged that Defendants were in possession of information removed from The Materials Show and offered to "shred it" unless she received confirmation that Plaintiffs would prefer it be mailed back to them by September 13, 2022. AEI, through its agents, asked Ms. Young to preserve all materials in their possession.

38.

In the September 9, 2022 Email, Ms. Young further stated that "Please note that the concerns raised in your communication have been brought to Reed Exhibitions senior management to be reviewed in accordance with our code of ethics and business conduct."

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39.

Upon information and belief, RX Global has now instructed its employees not to enter any of AEI's shows in the future.

40.

Defendants' improper access to the vendors, buyers and other industry professionals at the NW Show and conversion of the Client Lists for the purpose of recruiting and promoting the Functional Fabric Fair will result in irreparable harm to AEI.

41.

The harm caused by Defendants' misconduct resulting in their conversion of AEI's Protected Information, including the Client Lists, is difficult to quantify as purely monetary damages, is ongoing, and is irreparable. If Defendants are permitted to exploit and continue to use AEI's Protected Information, such information is likely to lose all value.

42.

It will take AEI time and cost AEI resources to repair the relationships damaged by Defendants' misconduct. Defendants should therefore be restrained and enjoined from holding the Functional Fabric Fair in order to prevent irreparable harm to AEI.

43.

Defendants' actions described in this Complaint are not an isolated incident. Defendants have a regular practice of instructing their employees to defraud competitors by posing as attendees or vendors at their shows, misappropriate competitors' trade secrets, and use those trade secrets to interfere in competitors' business relations. This pattern of willful and malicious behavior justifies an award of punitive damages against Defendants.

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**FIRST CLAIM FOR RELIEF**  
**(Injunctive and Declaratory Relief)**

44.

Plaintiff re-alleges and incorporates by reference paragraphs 1 through 43 above, as though fully set forth herein.

45.

Plaintiff is entitled to preliminary and permanent injunctive relief (a) restraining and prohibiting Defendants from holding any trade show events, including the Functional Fabric Fair, that benefit from AEI's Protected Information; (b) requiring Defendants to immediately return all of AEI's Protected Information in their possession, custody or control; (c) barring Defendants from contacting any of AEI's customers, vendors or contacts included in the Client Lists; and (d) disgorging Defendants of any profits made by them as a result of their improper access to and use of the Protected Information, including all revenue generated by the Functional Fabric Fair.

**SECOND CLAIM FOR RELIEF**  
**(Misappropriation of Trade Secrets - ORS § 646.641 *et seq.*)**

46.

Plaintiffs re-allege and incorporate by reference paragraphs 1 through 45 above, as though fully set forth herein.

47.

AEI's Protected Information includes trade secrets under Oregon's Uniform Trade Secrets Act (OUTSA), ORS § 646.641 *et seq.*, which derive actual and potential independent economic value from not being generally known to, and not being readily ascertainable through proper means by AEI's competitors, who can obtain value from its disclosure or use.

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48.

AEI undertakes reasonable efforts to maintain the secrecy of its trade secrets by, among other things, requiring confidentiality and prohibiting disclosure or unauthorized use of AEI's Client Lists and Protected Information, prohibiting improper use or acquisition of its online information, requiring registration for all of its events, and prohibiting attendance at The Materials Show by competitors.

49.

Defendants obtained AEI's trade secrets and other Protected Information by willfully, deliberately and in bad faith gaining access to The Materials Show and absconding with AEI's Protected Information, including highly valuable direct contacts not obtainable by any other means.

50.

Defendants have misappropriated AEI's trade secrets and Protected Information willfully and maliciously, and with bad faith. AEI is therefore entitled to an award of its reasonable attorney fees in this action pursuant to ORS 646.467.

51.

Plaintiff is entitled to preliminary and permanent injunctive relief (a) restraining and prohibiting Defendants from holding any trade show events, including the Functional Fabric Fair, that benefit from AEI's Protected Information; (b) requiring Defendants to immediately return all of AEI's Protected Information in their possession, custody or control; (c) barring Defendants from contacting any of AEI's customers, vendors or contacts included in the Client Lists; and (d) disgorging Defendants of any profits made by them as a result of their improper access to and use of the Protected Information, including all revenue generated by the Functional Fabric Fair.

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52.

Defendants are liable to Plaintiff for not less than \$5,500,000.00 or another amount to be proven at trial as a result of their willful, malicious and bad faith misappropriation of AEI's trade secrets and Protected Information. AEI additionally seeks an award of punitive damages under ORS 646.465(3) (damages for misappropriation of trade secrets) to the full extent allowable by law.

53.

Defendants acted with malice or have shown a reckless and outrageous indifference to a highly unreasonable risk of harm and have acted with a conscious indifference to the health, safety and welfare of others.

54.

Plaintiffs are entitled to punitive damages in an amount to be proven at trial pursuant to ORS 31.730 and applicable law.

**THIRD CLAIM FOR RELIEF**  
**(Conversion)**

55.

Plaintiff re-alleges and incorporates by reference paragraphs 1 through 54 above, as though fully set forth herein.

56.

Defendants' misconduct (including falsifying information about their identity, intention, affiliations and purpose for attending The Materials Show) has willfully interfered with Plaintiff's right to exclusive access and use of its Protected Information, and Defendants have acted with the intent to permanently deprive Plaintiff of the value and use of the Protected Information.

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57.

Defendants' conduct constitutes conversion that has deprived Plaintiff of the value of its Protected Information, including the Client Lists.

58.

Plaintiff has been damaged in the amount of not less than \$5,500,000.00 as a result of Defendants' misconduct and conversion.

59.

Defendants acted with malice or have shown a reckless and outrageous indifference to a highly unreasonable risk of harm and have acted with a conscious indifference to the health, safety and welfare of others.

60.

Plaintiffs are entitled to punitive damages in an amount to be proven at trial pursuant to ORS 31.730 and applicable law.

#### **FOURTH CLAIM FOR RELIEF**

##### **(Intentional Interference with Economic Relations)**

61.

Plaintiff re-alleges and incorporates by reference paragraphs 1 through 60 above, as though fully set forth herein.

62.

AEI has enjoyed a longstanding relationship between many of its buyers, customers and exhibiting vendors at The Materials Show.

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63.

Defendants have willfully interfered with these relationships by making harassing phone calls and sending solicitation emails to such buyers, customers and vendors by their misuse and conversion of AEI's Client Lists.

64.

AEI has a reasonable prospective economic relationship with past and present buyers, customers and vendors attending The Materials Show, and Defendants have interfered and continue to interfere with those current and prospective economic relationships.

65.

Plaintiff is entitled to preliminary and injunctive relief (a) restraining and prohibiting Defendants from holding any trade show events, including the Functional Fabric Fair, that benefit from AEI's Protected Information; (b) requiring Defendants to immediately return all of AEI's Protected Information in their possession, custody or control; (c) barring Defendants from contacting any of AEI's customers, vendors or contacts included in the Client Lists; and (d) disgorging Defendants of any profits made by them as a result of their improper access to and use of the Protected Information, including all revenue generated by the Functional Fabric Fair.

66.

Defendants acted with malice or have shown a reckless and outrageous indifference to a highly unreasonable risk of harm and have acted with a conscious indifference to the health, safety and welfare of others.

67.

Plaintiff has been damaged in the amount of not less than \$5,500,000.00 as a result of Defendants' intentional interference with its business relations.

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68.

Plaintiff is entitled to punitive damages to be proven at trial pursuant to ORS 31.730 and applicable law.

#### **FIFTH CLAIM FOR RELIEF**

##### **(Breach of Contract)**

69.

Plaintiff re-alleges and incorporates by reference paragraphs 1 through 68 above, as though fully set forth herein.

70.

Attendance at The Materials Show requires every attendee, customer and vendor to agree to The Materials Show terms and conditions. Under AEI's terms and conditions, competing trade show organizers and/or promoters are expressly banned under AEI's admission policies. Defendants expressly and impliedly agreed to these terms and conditions. *See Exhibit 1.*

71.

Defendants have willfully and materially breached the terms and conditions by misrepresenting their purpose, identities and/or affiliations to gain access to The Materials Show and the Protected Information. Defendants were in fact at all times competing trade show organizers and in attendance solely for self-promotion.

72.

Plaintiff has been damaged in the amount of not less than \$5,500,000.00 as a result of Defendants' intentional interference with its business relations.

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**SIXTH CLAIM FOR RELIEF****(Fraud)**

73.

Plaintiffs re-allege and incorporate by reference paragraphs 1 through 72 above, as though fully set forth herein.

74.

At all material times, Defendants Josef and McCollough were acting within the scope of their employment by the other Defendants, and acted at their and each other's direction.

75.

When he applied for entry to the Materials Show, Defendant Josef represented to Plaintiff that he was "Director of Sales and Planning" for Polo Ralph Lauren.

76.

Defendant Josef's representation that he was "Director of Sales and Planning" for Polo Ralph Lauren was false, as he was actually employed by Defendants and working at the direction of Defendant McCollough.

77.

The representation that Defendant Josef was "Director of Sales and Planning" for Polo Ralph Lauren was material to Plaintiff's decision to allow him into The Materials Show, because Plaintiff does not allow employees of competitors to enter The Materials Show.

78.

Defendant Josef knew that the representation was false, and knew that misrepresenting his company affiliation was the only way to gain registration for and access to The Materials Show.

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79.

Defendant Josef intended Plaintiff to rely on the misrepresentation.

80.

Plaintiff justifiably relied on Defendant's misrepresentation when it allowed Defendant Josef into the Materials Show.

81.

Plaintiff has been damaged in the amount of not less than \$5,500,000.00 as a result of its reliance on Defendants' misrepresentation.

82.

Defendants acted with malice or have shown a reckless and outrageous indifference to a highly unreasonable risk of harm and have acted with a conscious indifference to the health, safety and welfare of others.

83.

Plaintiffs are entitled to punitive damages in an amount to be proven at trial pursuant to ORS 31.730 and applicable law.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for judgment against Defendants as follows:

For preliminary and permanent injunctive relief (a) restraining and prohibiting Defendants from holding any trade show events, including the Functional Fabric Fair, that benefit from AEI's Protected Information; (b) requiring Defendants to immediately return all of AEI's Protected Information in their possession, custody or control; (c) barring Defendants from contacting any of AEI's customers, vendors or contacts included in the Client Lists; and (d) disgorging Defendants of any profits made by them as a result of their improper access to and use of the Protected Information, including all revenue generated by the Functional Fabric Fair.

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- (1) For monetary damages on all claims to be proven at trial, but currently estimated at no less than \$5,500,000;
- (2) For punitive damages on Plaintiff's second, third, and sixth claims to be determined at trial;
- (3) For reasonable costs and attorney fees to the extent allowed by law; and
- (4) For such other relief as the Court deems just and equitable.

DATED this 15th day of March, 2024.

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SECOND AMENDED COMPLAINT AND DEMAND FOR JURY TRIAL

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## CERTIFICATE OF SERVICE

I certify that I caused to be served a true and correct copy of the foregoing PLAINTIFF'S MOTION FOR LEAVE TO FILE SECOND AMENDED COMPLAINT on the following recipients by electronic mail at the following addresses:

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DATED this 15th day of March, 2024.

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## CERTIFICATE OF SERVICE

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